DATE: JULY 1, 2004

TO: INTERESTED PARTIES

RE: NEW 130 – AUTO FERRIES

DESIGN AND BUILD CONTRACT NO. 00-6674

ADDENDUM NO. 8

This is to inform you of the following updates and changes to the Request for Proposals (RFP) for the above-referenced project:

PHASE I PREQUALIFICATION RFP Volume I A

Attached hereto and incorporated herein is a revision to the RFP Introduction document.

All other terms and conditions remain unchanged. All qualified proposers will be required to acknowledge receipt of this Addendum on the Bid Form. All Addenda will become a part of the Contract.

Sincerely,

Tim McGuigan
Director of Legal Services and Contracts

Attachment

ATTACHMENT TO ADDENDUM NO. 8

PHASE I PREQUALIFICATION RFP Volume I A

INTRODUCTION Part 2

CONFLICT OF INTEREST Section 13 (New)

Page 7, line 17. After Section 12, Preparation Costs, add a new Section 13, Conflict of Interest, to read as follows:

"13. CONFLICT OF INTEREST

WSF has issued two (2) Requests For Proposals (RFPs) for the following components of the New 130 – Auto Ferries project: (i) the RFP for the New 130-Auto Ferries Propulsion System Contract No. 00-6679 ("Propulsion RFP"); and (ii) the RFP for the New 130-Auto Ferries Design and Build Contract No. 00-6674 ("Vessel RFP"). Both RFPs are currently in progress, simultaneously. The propulsion system procured pursuant to the Propulsion RFP will be used in each of the four (4) new vessels being designed and built pursuant to the Vessel RFP.

Due to the timing and nature of the design and build format for the Vessel RFP, it will be necessary for the propulsion system contractor to interface directly with WSF and the finalist proposers under the Vessel RFP on numerous aspects of engineering and design issues. More specifically, the Propulsion RFP requires the propulsion system contractor to develop a Construction Bid Support (CBS) package that will provide all technical data, engineering and support necessary for the Vessel RFP proposers to engineer, design, and produce biddable technical proposals.

Additionally, under the Technical Specifications in the Propulsion RFP, WSF requires the propulsion system contractor to become an integral part of the WSF project team during Phase II of the Vessel RFP. For example, Section 12.0, On-Site Support, requires the propulsion system contractor to provide (in Section 12.2) a Project Manager and an Engineering Liaison. Quoting Section 12.2, page 77, lines 29-32: "The Engineering Liaison shall provide answers to the Shipyard Proposers questions and review up to three (3) Shipyards Technical Proposals on at least three (3) occasions during the

Shipyard Phase II portion of the New 130 Auto Ferry Contract." As such, the propulsion system contractor will have direct access to other Vessel RFP proposals prior to final selection of a vessel design-build contractor.

Furthermore, the propulsion system contractor will have access to WSF project information, early knowledge of propulsion system issues and greater access to all aspects of the propulsion system design, all of which are competitive advantages not available to the other Vessel RFP proposers. Finally, knowing that the propulsion system contractor was also preparing a proposal for the Vessel RFP could undermine other Vessel RFP proposers' confidence and trust in the CBS package.

Under the described circumstances, it is imperative that the exchange of information and data between WSF and the propulsion contractor, and between the propulsion contractor and the Vessel RFP proposers, must be full, complete and unbiased; and thereby free from any apparent and/or perceived conflicts of interest. Therefore, WSF hereby advises all interested parties that WSF will not allow any entity, including, but not limited to, divisions and/or affiliates thereof, to compete simultaneously as a proposer for both the Propulsion RFP and the Vessel RFP. The potential for real and/or perceived conflicts of interest is too great and is not acceptable. If any subcontractor, supplier, and/or designer is proposed for participation in both RFPs, WSF will, in its sole discretion, review the potential conflict of interest on a case-by-case basis."

(END)